

From: Jim Martin
Subject: Regulation Z -- Truth in Lending

Comments:

Date: Jan 05, 2011

Proposal: Regulation Z - Truth in Lending Act
Document ID: R-1399
Document Version: 1
Release Date: 12/13/2010
Name: Jim Martin
Affiliation: Arkansas Appraiser Licensing Board
Category of Affiliation: Government
Address:
City:
State:
Country:
Zip:
PostalCode:

Comments:

The Arkansas Boards opinion is that many of the issues addressed in Regulation Z amendments have already found their way into this jurisdictions operations. (I.e. AMC Registration, and appraiser independence per HVCC.) These amendments, however, will ensure their continuation even after HVCC etc. are no more. There are a couple issues that give us concern to which we would respond.

- The mandate for reporting of an appraisers misconduct in the final interim rules leads one to conclude that the only compelling reasons to report suspicious activity by the appraiser is that which affects value. Historically, this Board has shied away from making valuation decisions or validating value conclusions and has focused more on specific standard violations. If our assessment of the rule is valid then we foresee a major shift in this boards approach in the way it investigates and prosecutes USPAP violations.
- In reference to the definition of "agent" this Board concurs with congress' intent that the definition of agent should not include "fee appraisers" who provide professional independent and unbiased services under a contractual arrangement.
- The third issue to which we would respond has to do with turnaround time. The Board has stressed that an appraisers competency and accuracy should be a creditors chief concerns and not how quickly the assignment can be performed. In this regard we would submit the turnaround time should be a negotiable item between the appraiser and those (AMC etc.) who engage the appraiser's services. The party ordering the appraisal should not be allowed to market its services on their ability to expedite quick turn time. Specified time frames should be a mutual understanding between both parties. The expedience of complying to rigid time constraints is a disaster waiting to happen. The appraiser should be afforded some degree of flexibility in accepting or rejecting a third party's schedule without fear of retribution.

However, one has to recognize that in today's environment of electronic

communications the opportunity does not appear conducive to a discussion of mitigating circumstances that may impact a specified ETA. The timing in which a request is received (i.e. day of week, holidays, etc.), scope of work issues, receipt of an order, and/or the properties geographical location are certainly issues that could alter a mandated turnaround time. On the whole we submit that the amendments to regulation z have the potential for insuring the independent and unbiased judgment of a real estate appraiser but only time will tell if that will happen. These foregoing comments are just some of our thoughts subsequent to a cursory review of a very voluminous document with a limited time for review.